

Message Text

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12
ACTION EB-11

INFO OCT-01 AF-10 ISO-00 COME-00 AID-20 OPIC-12 TRSE-00

OMB-01 CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01 /067 W
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R 171525Z JUN 74
FM AMEMBASSY KINSHASA
TO AMCONSUL LUBUMBASHI
INFO SECSTATE WASHDC 8143

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E.O. 11652: N/A
TAGS: ECON, CG
SUBJECT: ZAIRIANIZATION OF AMATO FRERES, INC.

REF: LUBUMBASHI 256; AND A-25

1. EARLY IN MAY COMMATT TOOK UP MATTER OF SUBJECT FIRM INFORMALLY WITH STATE COMMISSIONER FOR NATIONAL ECONOMY NAMWISI. COMMISSIONER SAID HE WAS FAMILIAR WITH CASE, WHICH WAS COMPLEX AND WOULD REQUIRE DECISION AT MOUNT NGALIEMA (PRESIDENCY). AT HIS REQUEST, COMMATT SUBMITTED DOSSIER OF LETTERS TO AMATO FRERES FROM OFFICE NATIONAL DES OLEAGINEUX DECLARING OFFICE WAS TAKING OVER ENTIRE COMPLEX, INCLUDING TEXTILE MILL AND SOAP FACTORY. DOSSIER INCLUDED AS WELL LETTER FROM AMATO AGENCY, INC., DATED MAY, 1973, STATING THAT NEW YORK FIRM HELD AT THAT TIME 99.94 PERCENT OF STOC IN AMATO FRERES.

2. ROBERT AMATO LATER CALLED AT EMBASSY WITH LETTERS FROM STATE COMMISSIONER FOR AGRICULTURE ATTRIBUTING AGRO-INDUSTRIAL RPT AGRO-INDUSTRIAL ACTIVITIES OF AMATO FRERES TO NGUZA KARL I BOND, DIRECTOR OF POLITICAL BUREAU (WHICH EXPLAINS NAMWISI'S REMARK ABOUT DECISION FROM MOUNT NGALIEMA). AMATO SAID THAT IT APPEARED NGUZA INTENDED TAKE OVER ENTIRE COMPLEX AND WAS MAKING
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PLAY ON WORDS, SINCE LETTERS CLEARLY SHOULD EXEMPT

INDUSTRIAL ACTIVITIES SUCH AS TEXTILE MILL AND SOAP FACTORY. HE ADDED, HOWEVER, THAT IF NGUZA WAS INDEED EMPOWERED TO TAKE OVER ENTIRE COMPLEX AMATO FRERES WOULD BE SATISFIED WITH PROMPT COMPENSATION IN AMOUNT OF DOLS 10,043,400 REPRESENTING VALUE OF 669,560 SHARES IN AMATO FRERES OWNED BY AMATO AGENCY. HE PRESENTED BALANCE SHEET PREPARED BY DANIEL E. SAMET & COMPANY, 60 EAST 42D STREET, NEW YORK, SHOWING THIS VALUE.

3. ON JUNE 10 COMMATT AGAIN CALLED ON NAMWISI, WHO POINTED OUT THAT GOZ POLICY WAS NOT TO SUBDIVIDE ENTREPRISES TAKEN OVER, BUT INDICATED THAT EXCEPTIONS HAD BEEN MADE IN SOME CASES WHERE SEPARATE ACTIVITIES WERE ACTUALLY SEPARATE COMPANIES. HE CITED EXAMPLE OF HASSON ET FRERES. COMMISSIONER EMPHASIZED, THAT AMATO FRERES WAS A SINGLE COMPANY WITH A SINGLE REGISTRATION IN THE REGISTRE DE COMMERCE. COMMATT SUGGESTED REQUESTING AGRICULTURE COMMISSIONER TO CLARIFY HIS LETTERS BY EITHER STRESSING THAT ONLY AGRO-INDUSTRIAL ACTIVITIES CONCERNED AND NOT INDUSTRIAL SUCH AS TEXTILE AND SOAP, OR STATING THAT AGRO-INDUSTRIAL MEANT ENTIRE AMATO FRERES COMPLEX. NAMWISI AGREED THIS WAS BEST PLAN, BUT WAS NOT TOO SANGUINE ABOUT OUTCOME IN FAVOR OF AMATO FRERES.

4. STATE COMMISSIONER FOR AGRICULTURE IS OUT OF TOWN UNTIL JUNE 17, BUT COMMATT WILL SEEK APPOINTMENT SOONEST.

5. COMMENT: IN VIEW POWERFUL POSITION OF NGUZA AND APPARENTLY WEAK CLAIM TO AMERICAN NATIONALITY OF AMATO FRERES, (ACTUAL PHYSICAL TRANSFER OF STOCK APPARENTLY TOOK PLACE ONLY ON MARCH 23, 1974), EMBASSY DOES NOT EXPECT TO SALVAGE ANYTHING FOR AMATO FRERES. SINCE AMATOS SEEM RESIGNED TO THIS OUTCOME, EMBASSY WILL CONCENTRATE ON TRYING TO GET PROMPT AND ADEQUATE COMPENSATION.
ANDREW

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Draft Date: 17 JUN 1974
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Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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